

§ 33-3-14d. Additional fire and casualty insurance premium tax; allocation of proceeds; effective date

(a) For the purpose of providing additional revenue for municipal policemen's and firemen's pension and relief funds and the teachers retirement system reserve fund for volunteer and part volunteer fire companies and departments, there is hereby levied and imposed an additional premium tax equal to one percent of gross direct premiums collected, less premiums returned to policyholders because of cancellation of policies, for fire insurance and casualty insurance policies.

For purposes of this section, casualty insurance does not include insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction or insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy. Except as otherwise provided in this section, all provisions of this article relating to the levy, imposition and collection of the regular premium tax are applicable to the levy, imposition and collection of the additional tax set forth in this section.

All moneys collected from this additional tax shall be received by the commissioner and paid by him into a special account in the state treasury, designated the municipal pensions and protection fund. The net proceeds of this tax after appropriation thereof by the Legislature shall be distributed in accordance with the provisions of this section.

(b)(1) Before the first day of August of each calendar year, the treasurer of each municipality in which a municipal policemen's or firemen's pension and relief fund has been established shall report to the state treasurer the average monthly number of members who worked at least one hundred hours per month and the average monthly number of retired members of municipal policemen's or firemen's pension systems during the preceding fiscal year.

(2) Before the first day of September of each calendar year, the state treasurer shall allocate and authorize for distribution the revenues in the municipal pensions and protection fund which were collected during the preceding calendar year for the purposes set forth in this section. Sixty-five percent of the revenues shall be allocated to municipal policemen's and firemen's pension and relief funds; twenty-five percent of the revenues shall be allocated to volunteer and part volunteer fire companies and departments; and ten percent of such allocated revenues shall be allocated to the teachers retirement system reserve fund created by section eighteen, article seven-a, chapter eighteen of this code: Provided, That in any year the actuarial report required by section twenty, article twenty-two, chapter eight of this code indicates no actuarial deficiency in the municipal policemen's or firemen's pension and relief fund, no revenues may be allocated from the municipal pensions and protection fund to that fund. The revenues from the municipal pensions and protection fund shall then be allocated to all other pension funds, which have an actuarial deficiency.

(3) The moneys and the interest earned thereon; in the municipal pensions and protection fund allocated to volunteer and part volunteer fire companies and departments shall be allocated and distributed quarterly to the volunteer fire companies and departments. Before each distribution date, the state fire marshal shall report to the state treasurer the names and addresses of all volunteer and part volunteer fire companies and departments within the state which meet the eligibility requirements established in section eight-a, article fifteen, chapter eight of this code.

(c)(1) Each municipal pension and relief fund shall have allocated and authorized for distribution a pro rata share of the revenues allocated to municipal policemen's and firemen's pension and relief funds based upon the corresponding municipality's average monthly number of members who worked at least one hundred hours per month during the preceding fiscal year. On and after the first day of July, one thousand nine hundred ninety-seven, from the growth in any moneys collected pursuant to the tax imposed by this section there shall be allocated and authorized for distribution to each municipal pension and relief fund, a pro rata share of the revenues allocated to municipal policemen's and firemen's pension and relief funds based upon the corresponding municipalities average number of members who worked at least one hundred hours per month and average monthly number of retired members. For purposes of this subsection, the growth in moneys collected from the tax collected pursuant to this section shall be determined by subtracting the amount of the tax collected during the fiscal year ending the thirtieth day of June, one thousand nine hundred ninety-six, from the tax collected during the fiscal year for which the allocation is being made. All moneys received by municipal pension and relief funds under this section may be expended only for those purposes described in sections sixteen through twenty-eight, inclusive, article twenty-two, chapter eight of this code.

(2) Each volunteer fire company or department shall receive an equal share of the revenues allocated for volunteer and part volunteer fire companies and departments.

(3) In addition to the share allocated and distributed in accordance with subdivision (1) of this subsection, each municipal fire department composed of full-time paid members and volunteers and part volunteer fire companies and departments shall receive a share equal to the share distributed to volunteer fire companies under subdivision (2) of this subsection reduced by an amount equal to such share multiplied by the ratio of the number of full-time paid fire department members who are also members of a municipal firemen's pension system to the total number of members of such fire department.

(d) The allocation and distribution of revenues provided for in this section are subject to the provisions of section twenty, article twenty-two, and sections eight-a and eight-b, article fifteen, chapter eight of this code.

Amended by Acts 1997, ch. 107, eff. 90 days after April 12, 1997